



(BILLING CODE: 3510-DS-P)

DEPARTMENT OF COMMERCE

International Trade Administration

C-580-879

Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, and Rescission of Review, in Part; 2017

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd. (Dongbu) received countervailable subsidies that are above *de minimis*, and that Hyundai Steel Company (Hyundai Steel) received countervailable subsidies that are *de minimis*. The period of review (POR) is January 1, 2017 through December 31, 2017. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Myrna Lobo or Jun Jack Zhao, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2371 and (202) 482-1396, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 10, 2018, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order on CORE from Korea.¹ On January 28, 2019, Commerce exercised its discretion to toll all deadlines affected by the partial federal government

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 45596 (September 10, 2018) (*Initiation Notice*); see also *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 50077 (October 4, 2018) (*Initiation Notice Correction*), n.4.

closure from December 22, 2018 through the resumption of operations on January 29, 2019.² If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day.³ On April 16, 2019, and July 23, 2019, Commerce extended the deadline for the preliminary results. The revised deadline for the preliminary results of this administrative review is September 6, 2019.⁴ For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁵ A list of topics discussed in the Preliminary Decision Memorandum is included at the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The merchandise covered by the order is certain corrosion-resistant steel products. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

² See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

³ See *Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

⁴ See Memoranda, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review – 2017," dated April 16, 2019 and July 23, 2019.

⁵ See Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2017: Certain Corrosion-Resistant Steel Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Rescission of Administrative Review, In Part

Commerce initiated a review of 23 companies in this segment of the proceeding.⁶ The petitioners timely withdrew their request for review of Mitsubishi International Corp.,⁷ and no other party requested a review of this company. We are, therefore, rescinding the review with respect to Mitsubishi International Corp., in accordance with 19 CFR 351.213(d)(1).

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution from an authority that gives rise to a benefit to the recipient, and that the subsidy is specific.⁸ For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for

⁶ See *Initiation Notice* and *Initiation Notice Correction*.

⁷ See the Petitioners' Letter, "Withdrawal of Request for Administrative Review in Part, dated September 10, 2018.

⁸ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

exporters and producers individually investigated, excluding any zero, *de minimis*, or rates based entirely on facts available. In this review, the only preliminary subsidy rate above *de minimis* is the rate calculated for Dongbu. Therefore, for the companies for which a review was requested that were not selected as mandatory respondents, and for which we did not receive a timely request for withdrawal of review, and for which we are not finding to be cross-owned with the mandatory company respondents, we are applying the subsidy rate calculated for Dongbu.

Preliminary Results of Review

As a result of this review, we preliminarily determine the net countervailable subsidy rates to be:

| Company | Net Countervailable Subsidy Rate (percent <i>ad valorem</i>) 2017 |
|---|--|
| Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd. | 7.17 |
| Hyundai Steel Company | 0.44 (<i>de minimis</i>) |
| Bukook Steel Co., Ltd. | 7.17 |
| CJ Korea Express | 7.17 |
| DK Dongshin Co., Ltd. | 7.17 |
| Dongbu Express | 7.17 |
| Hongyi (HK) Hardware Products Co., Ltd. | 7.17 |
| Hyundai Glovis Co., Ltd. | 7.17 |
| Jeil Sanup Co., Ltd. | 7.17 |
| POSCO | 7.17 |
| POSCO C&C | 7.17 |
| POSCO Daewoo Corp. | 7.17 |
| POSCO P&S | 7.17 |
| Sejung Shipping Co., Ltd. | 7.17 |
| SeAH Steel | 7.17 |
| Seil Steel Co., Ltd. | 7.17 |
| SK Networks Co., Ltd. | 7.17 |
| Soon Hong Trading Co., Ltd. | 7.17 |
| Taisan Construction Co., Ltd. | 7.17 |
| TCC Steel Co., Ltd. | 7.17 |
| Young Sun Steel Co. | 7.17 |

Assessment Rate

Pursuant to section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review. For companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the POR, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice.

Cash Deposit Rate

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

Commerce intends to disclose to parties to this proceeding the calculations performed in reaching the preliminary results no later than ten days after the date of public announcement, or if there is no public announcement, within five days after the date of publication of these

preliminary results.⁹ Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance at a date to be determined. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹⁰ Parties who submit case briefs or rebuttal briefs are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹¹

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system.¹² Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce will inform parties of the scheduled date of the hearing which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined.¹³ Issues addressed during the hearing will be limited to those raised in the briefs.¹⁴ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our

⁹ See 19 CFR 351.224(b).

¹⁰ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

¹¹ See 19 CFR 351.309(c)(2) and (d)(2).

¹² See 19 CFR 351.310(c).

¹³ See 19 CFR 351.310.

¹⁴ See 19 CFR 351.310(c).

analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

This administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: September 6, 2019

/s/ Jeffrey I. Kessler

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the Order
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- VI. Rate for Non-Examined Companies
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- IX. Recommendation

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